



**U.S. Department of the Interior
Office of Inspector General**

AUDIT REPORT

**ADMINISTRATION OF SELECTED PROGRAMS
BY THE NORTHERN ARAPAHO TRIBE**

**REPORT NO. 95-I-942
MAY 1995**



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL
Washington, D.C. 20240

JUN 9 1995

MEMORANDUM

TO: The Secretary

FROM: Wilma A. Lewis
Inspector General

Joyce A. Hirschman
for

SUBJECT SUMMARY: Final Audit Report for Your Information -
"Administration; of Selected Programs by the Northern
Arapaho Tribe" (No. 95-I-942)

Attached, for your information, is a copy of the final audit report referenced above.

The Northern Arapaho Tribe did not administer the Indian Child Welfare Program, Housing Improvement Program, and Water Utility Program effectively and in many instances did not use Federal funds for their intended purposes. In operating Tribal programs, the Tribe did not fully comply with regulations and budgetary controls. Further, the Tribe had not developed an adequate personnel system or adequate operating procedures. As a result, the Tribe did not provide adequate program services, and its financial and economic conditions were depressed. For example, the general fund had a deficit of \$935,000 in 1991, and overdue accounts payable exceeded \$400,000 by April 1994.

We recommended that the Chairman, Northern Arapaho Business Council, (1) identify any Tribal resources that could be used to pay the Tribe's overdue accounts payable and to finance the planning and implementation of improved administrative systems for the Tribe and (2) prepare a plan of operations to document and control its annual activities. We also recommended that the Bureau of Indian Affairs assist the Tribe in preparing its corrective action plan and monitor the Tribe's implementation of planned improvements.

The Bureau's response to the draft report included a corrective action plan from the Chairman of the Northern Arapaho Business Council. The Chairman agreed with the recommendations and stated that the Council has used Tribal resources to pay overdue accounts and to improve administrative systems. Based on the response, we consider the report's three recommendations resolved.

If you have any questions concerning this matter, please contact me on 208-5745.

Attachment



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL

Headquarters Audits
1550 Wilson Boulevard
Suite 401
Arlington, VA 22209

MAY 31 1995

To: Assistant Secretary for Indian Affairs

From: Acting Assistant Inspector General for Audits

Subject: Final Audit Report on Administration of Selected Programs by the Northern Arapaho Tribe (NO. 95-I-942)

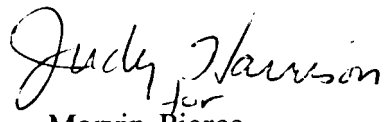
The Office of the Inspector General has completed a review of the administration of selected programs by the Northern Arapaho Tribe. The audit was requested by the Billings Area Director, Bureau of Indian Affairs, on behalf of the Tribe. The objective of the audit was to determine whether the Tribe was administering selected programs effectively and efficiently.

Our audit showed that the Tribe did not administer selected programs effectively and in many instances did not use Federal and Tribal funds for their intended purposes. We also found that the Tribe had not yet developed an adequate personnel system or adequate internal directives or operating procedures. As a result, the Tribe was not able to provide adequate program services, and its financial and economic conditions were depressed. For example, the general fund had a deficit of \$935,000 in 1991, and overdue accounts receivable exceeded \$400,000 by April 1994.

We recommended that the Chairman, Northern Arapaho Business Council, (1) identify any potential Tribal resources that can be used to resolve the Tribe's overdue accounts payable and to finance the planning and implementation of improved administrative systems for the Tribe and (2) prepare a plan of operations to document and control its annual activities. We also recommended that your office assist the Tribe in preparing its corrective action plan and monitor the Tribe's implementation of planned improvements.

Your response (Appendix 1) to our draft report generally concurred with the report's three recommendations and was sufficient for us to consider the recommendations resolved and implemented. Therefore, no further response to this report is required (see Appendix 2).

The legislation, as amended, creating the Office of Inspector General requires semiannual reporting to the Congress on all audit reports issued, actions taken to implement audit recommendations, and identification of each significant recommendation on which corrective action has not been taken.


for
Marvin Pierce



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL

Headquarters Audits
1550 Wilson Boulevard
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Arlington, VA 22209

MAY 31 1995

LETTER AUDIT REPORT

Mr. Richard Brannon, Chairman
Northern Arapaho Business Council
P.O. Box 396
Fort Washakie, Wyoming 82514

Dear Mr. Brannon:

Subject: Audit Report on Administration of Selected Programs by the Northern Arapaho Tribe (No. 95-I-942)

INTRODUCTION

The Office of Inspector General has completed a review of the Northern Arapaho Tribe's administration of programs financed by Federal, State of Wyoming, and Tribal funds. This audit was requested by the Billings Area Director, Bureau of Indian Affairs, on behalf of the Northern Arapaho Tribe's Business Council. The Council expressed concern about the manner in which the Tribe was administering some of its programs. The objective of our audit was to determine whether the Tribe was administering selected programs effectively and efficiently.

BACKGROUND

The Northern Arapaho Tribe, with 5,647 enrolled members, shares the 3,500 square-mile Wind River Reservation in west-central Wyoming with the Shoshone Tribe. The Tribe's General Council comprises all adult Tribal members, who meet several times a year to provide overall guidance to the Tribe. A six-member Business Council elected by Tribal members for 2-year terms manages programs for the Tribe. The Tribe operates 22 programs, of which 10 are funded primarily by Federal or State contracts and 12 are funded predominantly by Tribal revenue. The Bureau of Indian Affairs has oversight responsibilities for programs funded mainly by Bureau contracts and limited oversight responsibilities for certain other Tribal programs.

Tribal revenues for 1994 are expected to be \$4.6 million: about \$2.7 million from Federal and State agencies to operate contracted programs, including the social services, housing improvement, home heating assistance, nutrition, and economic development programs, and about \$1.9 million from minerals royalties and taxes to

operate Tribal programs, including the burial assistance and water utility programs. The Tribe's revenues for 1994 are estimated because the single audit for that year has not been completed.

SCOPE OF AUDIT

Our audit was conducted at the Tribe's headquarters in Ethete, Wyoming. We reviewed accounting and other program records for the period 1990 through 1993; however, as needed, we reviewed records dating from 1986. The documentation audited included contracts, accounting records, personnel records, Business Council meeting minutes, the Tribe's audited financial statements, and program evaluations prepared by the Billings Area Office. We also interviewed Business Council members and Tribal employees and members.

This review was conducted in accordance with the "Government Auditing Standards," issued by the Comptroller General of the United States. Accordingly, we included such tests of records and other auditing procedures that were considered necessary under the circumstances.

We also evaluated the Tribe's system of internal controls in the areas of finance, personnel and property, to the extent that we considered necessary. The internal control weaknesses are discussed in the Results of Audit section of this report.

PRIOR AUDIT COVERAGE

The Office of Inspector General has not issued a report in the past 5 years concerning the Northern Arapaho Tribe's management of contracted and Tribal programs.

At the time of our review, the Tribe had obtained independent audits of its financial statements, as required by the Single Audit Act of 1984, for the years 1986 through 1991. The reports contained qualified opinions on the Tribe's financial statements and included numerous findings and recommendations. We found that the Tribe had not adequately addressed the audits' findings and recommendations.

RESULTS OF AUDIT

The Northern Arapaho Tribe did not administer selected programs effectively and in many instances did not use Federal and Tribal funds for their intended purposes. The Code of Federal Regulations (25 CFR 271 and 276) requires tribes to plan, organize, direct, staff, operate, and monitor programs using sound management practices. In operating its programs, however, the Tribe did not fully comply with regulations and budgetary controls. Also, the Tribe had not yet developed an adequate personnel system or adequate internal directives or operating procedures. Despite the expenditure of about \$40 million of Tribal and contract funds from 1986 through 1993, the Tribe did not provide adequate program services, and its financial

and economic conditions were depressed. For example, 50 percent of the Tribal members were unemployed, more than 35 percent of the housing was substandard,¹ the general fund had a deficit of \$935,000 in 1991, 10 of 11 Tribal enterprises had operating losses in 1991, and overdue accounts payable exceeded \$400,000 by April 1994.

Administrative Controls

The Tribe had not established an effective plan of organization or administrative systems to appropriately control funds, property, or other assets. The more critical administrative deficiencies that we found are as follows:

- The Tribe did not always budget for the expenditure of its funds, and when it did prepare budgets, it did not follow them. For example, in 1986 and 1993, the Tribe did not prepare a budget for spending Tribal funds, which totaled about \$2.3 million and \$2.6 million, respectively. Also, in 1988 the Tribe prepared a budget for spending \$5.5 million of severance tax funds; however, it did not adhere to its budget and overspent the budget by \$3 million.

- The Tribe's organizational structure did not provide for clearly delineated lines of authority and responsibility. For example, it was not clearly established whether the General Council should plan programs and the Business Council should operate programs or whether the General Council or the Business Council should do both. This caused misunderstandings, especially in regard to whether the Business Council's expenditure of severance tax funds had been properly authorized by the General Council. Additionally, Tribal organizations did not have distinct lines for program reporting and accountability. For instance, one program manager said that he reported to management personnel at the agency which funded his program, while another program manager told us that he reported directly to the General Council, an action which would bypass the Business Council.

- The Tribe had no written directives or operating procedures for administering its programs. For example, since the Tribe had no personnel directives or procedures, it improvised personnel procedures on a case-by-case basis.

- The Tribe did not have a staffing plan or a merit protection system to ensure equal treatment of employees. For instance, as new members were elected to the Business Council, the employment of numerous Tribal employees was terminated without cause and other employees stated that they resigned because they believed that their employment would be terminated.

¹According to Bureau of Indian Affairs requirements, a decent, safe, and sanitary house should conform to the building standards for the region; have heating, plumbing, and electrical systems to meet tribal, county, or state codes; and have a sufficient number of bedrooms for the number of people living in the house.

- The Tribe did not have adequate financial controls to ensure that funds were spent for intended purposes. For example, the Tribal Controller said that a Tribal employee had transferred \$211,000 of severance tax funds to a program account without the knowledge or approval of the finance staff or the Business Council.

- The Tribe did not have a property management system in that there was no inventory of equipment. Therefore, it was not possible to identify the property owned by the Tribe or determine where the property was located. For example, the only record of vehicles owned by the Tribe was a list kept by the Tribe's insurance agent showing that the Tribe insured 38 vehicles. We also found that a program manager who had not worked for the Tribe for 5 months was still using a Tribal vehicle.

Although the Tribe was attempting to improve its financial management system, financial records needed to be updated and corrected. Also, audits had not been conducted of the Tribe's fiscal year 1992 and 1993 financial statements, and none of the 47 internal control weaknesses reported in the fiscal year 1991 audit report had been corrected at the time of our review.

Tribal Services

Deficiencies in financial and program administration were noted in the Indian Child Welfare Program, the Housing Improvement Program, and the Water Utility Program. For example:

- During 1992, the program manager of the Indian Child Welfare Program inappropriately loaned \$17,198 of Program funds to an alcohol abuse program funded by the Department of Health and Human Services and hired relatives as contract consultants at a cost of \$6,578. In addition, the program manager: (1) did not repay a \$1,094 travel advance for a conference that he did not attend; and (2) did not maintain time and attendance records to support \$57,900 of his salary charges from October 1990 through December 1992. Furthermore, the Tribe did not monitor or analyze the results of the Program to determine whether Program goals such as presenting seminars on Indian culture, organizing a youth peer facilitator group, and training service agencies in Indian culture had been achieved. We found that none of the nine Program goals had been accomplished.

- The program managers of the Housing Improvement Program stated that the Business Council decided which applicants would receive assistance and the manager then prepared priority rankings to justify the projects that the Business Council selected. We reviewed the 55 applications for housing assistance received during October 1990 through September 1993 and found that 23 applications contained errors in determining the families' eligibility and their priority rankings. Also, we noted that 9 of 17 houses visited had construction defects, which included the settling of foundations, inadequate drainage of wastewater, exposed electrical

wiring, inoperative electrical outlets, and leaking roofs and windows. We also determined that three nearly completed houses had not been worked on for at least 5 months.

- The Water Utility Program was not effective in ensuring that facilities were adequately constructed and maintained or that all amounts due were recorded accurately and collected. (The water system was originally constructed with Federal funds and was intended to become financially self-supporting through fees collected from the users.) For example, many households did not receive water during one summer because a 250,000-gallon water tank had been installed incorrectly and was removed from service. Also, the water distribution system developed water main leaks and breaks because it was not maintained adequately. Furthermore, the salaries for Utility personnel could not be paid, and the Program had no cash reserves because overdue accounts receivable had not been collected.

Severance Taxes and Royalties

The Tribe spent \$33 million of severance taxes and oil and gas royalties during 1986 through 1993 without establishing meaningful goals or objectives, without budgets or financial plans, and without making a positive impact on the Tribal economy. (In 1986, the courts upheld the Tribe's right to collect severance taxes on minerals produced from Tribal land, and the Tribe gained access to about \$11 million of severance taxes that had been held in escrow pending the outcome of the litigation.)

By 1991, the Tribe's severance tax reserves were expended, and the Tribe's treasury was nearly depleted. However, the Tribe still had substantial annual income from severance tax revenues, royalties from oil and gas production, and Federal grant programs. During 1991, the Tribe assisted a Tribal enterprise on a \$2.1 million revenue bond issue² by pledging future severance tax revenues to guarantee the bonds' repayments. In 1991 (the most recent year for which audited financial statements were available), however, the Tribe incurred a deficit in its general fund of \$935,000, and 10 of 11 enterprises had operating losses for that year.

By 1993, the Tribe was in serious financial condition. Lower energy prices reduced severance tax proceeds on oil and gas royalties. In addition, because of significant cost overruns on one construction project and inadequate cost controls at other construction projects, the enterprise that had obtained the bond money had spent the bond proceeds and defaulted on the bond payments. Therefore, the Tribe was using its severance tax revenues to make the bond payments. By April 1994, the Tribe had more than \$400,000 in overdue accounts payable and was attempting to borrow money to meet its then-current liabilities. Although the Business Council was

²The Business Council pledged the severance tax revenue to guarantee the bond payments. However, in 1986, the General Council by resolution had prohibited the Business Council from borrowing more than \$20,000. Although the guarantee appeared to breach the general intent of the resolution, the Business Council nevertheless pledged the severance tax revenue as a guarantee for the bond.

attempting to limit total expenditures to total revenues, it is uncertain whether progress can be made without outside assistance.

Bureau Assistance

The Bureau of Indian Affairs has provided advice and other assistance to the Tribe regarding the Tribe's program management. For example, a Bureau employee was assigned to assist the Tribe in managing its organization. However, the employee was advising the Business Council; managing the Tribal Credit Program; providing oversight for many contract and Tribal programs; and serving as ad hoc personnel officer, procurement manager, controller, and property manager. We believe that the number of duties assigned to the employee was more than could be adequately managed by one person.

Conclusion

In the final analysis, the Tribe has not built a viable organization that meets the needs of Tribal members. Even though the Tribe has mineral-rich lands, it is economically depressed. Also, the Tribe needs to improve its delivery of services to Tribal members in numerous areas, including housing, child welfare, water, and economic development. We believe that the \$40 million the Tribe received from 1986 through 1993 (\$33 million in Tribal funds and \$7 million in contracted funds) could have been more effectively used to alleviate the Tribe's serious economic and social problems.

Recommendations

We recommend that the Chairman, Northern Arapaho Business Council:

1. Identify any potential Tribal resources that can be used to resolve the Tribe's overdue accounts payable and to finance the planning and implementation of improved administrative systems for the Tribe.

2. Prepare a plan of operations to document and control its annual activities. The plan of operations should, at a minimum, ensure that the Business Council:

- Develops and implements procedures to effectively administer Tribal programs.

- Develops and implements an organizational plan that contains written policies and procedures and clear lines of authority so that the administrative managers can incur obligations on behalf of the Tribe and pay those obligations, and program managers can conduct their programs without the Business Council being involved in the conduct of the programs.

- Prepares, implements, and complies with an integrated annual budget for all types of funding.

- Hires qualified personnel to implement a documented financial and budgetary accounting system and to establish a system of monitoring programs and program managers.

- Establishes, under the authority of the business manager, a documented personnel and property system that includes a staffing plan, position descriptions, performance standards, an employee evaluation system, training profiles, procedures for ensuring merit protection for employees and procedures for identifying all nonexpendable equipment and controls to ensure its proper use.

We recommend that the Assistant Secretary for Indian Affairs:

3. Provide assistance to the Tribe in preparing a plan of action to address the issues raised in this report and monitor the Tribe's implementation of the planned improvements.

Bureau of Indian Affairs Response

The February 15, 1995, response (Appendix 1) to the draft report from the Acting Assistant Secretary for Indian Affairs included a February 9, 1995, corrective action plan from the Chairman of the Northern Arapaho Business Council. The response concurred with all three recommendations.

Recommendation 1. The Business Council stated that as of January 1, 1995, the Tribe had paid all accounts payable except for \$40,000 for irrigation operation and maintenance, which was being reconciled before payment.

Recommendation 2. The Business Council stated that it has developed written policies and operating procedures for personnel, procurement, and property and financial management. The Business Council also stated that it had purchased "improved accounting system software" and was in the process of hiring a qualified financial manager and staff. Finally, the Business Council stated that it was "committed to provide stability and accountability" for Tribal operations.

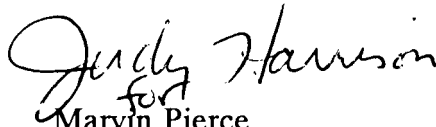
Recommendation 3. The Bureau stated that it had assisted the Tribe in preparing the February 9 action plan to correct the deficiencies cited in our report. The Bureau also stated that it will continue to review the Tribe's operations through the Tribe's single audits and through reviews of Bureau programs operated by the Tribe.

Office of Inspector General Comments

Based on the Bureau's response, we consider the three recommendations resolved and implemented (see Appendix 3). Therefore, no further response to this report is required.

The legislation, as amended, creating the Office of Inspector General requires semiannual reporting to the Congress on all audit reports issued, actions taken to implement audit recommendations, and identification of each significant recommendation on which corrective action has not been taken.

Sincerely,

A handwritten signature in black ink that reads "Judy Harrison". The signature is written in a cursive style with a large initial "J".

Marvin Pierce

Acting Assistant Inspector General
for Audits



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

TAK
PRD N
AM RI

FEB 15 1995

Memorandum

To: Assistant Inspector General for Audits
Acting for
From: Ada E. Deer, Assistant Secretary - Indian Affairs
Subject: OIG Draft Audit Report C-IN-BIA-004-94, Administration
of Selected Programs by the Northern Arapaho Tribe,
Issued November 30, 1994

The subject audit was requested by the Billings Area Director, Bureau of Indian Affairs (Bureau), on behalf of the Northern Arapaho Tribe. The audit addressed whether the Tribe was administering selected programs effectively and efficiently. The Northern Arapaho Tribe has responded to Recommendations A1, B.1, B.2, B.3, B.4, and B.5 in the attached Corrective Action Plan. Below is our response to Recommendation C.1 contained in the report.

Recommendation C1: Provide assistance to the Tribe in preparing a plan of action to address the issues raised in this report and monitor the Tribe's implementation of the planned improvement.

Response: The Bureau concurs. Staff from the Billings Area Office of the Bureau and from the Office of Audit and Evaluation met with the Arapaho Business Council in January and provided them assistance in identifying funds available to address issues raised in the OIG report and in developing their Corrective Action Plan.

The Bureau has confirmed that the Tribe has resolved all findings and recommendations cited for audits conducted under the Single Audit Act of 1984 for the fiscal years 1986 through 1991, and the Bureau has developed a review strategy for the Tribe's pending 1992 and 1993 audits.

The Arapaho Business Council purchased a personal computer resident software package called MUNIS to support the Tribe's budgeting, accounting and procurement operations. Bureau staff conferred with the MUNIS software vendor and the systems manager to verify the functionality of the MUNIS software to support the Tribe's evolving management procedures and the software implementation schedule.

The Bureau will continue to review the Tribe's operations by means of its role as the Cognizant Agency for Single Audits and during reviews of programs operated by the Tribe and funded by the Bureau, such as the Indian Child Welfare Program, the Housing Improvement Program, and the Economic Development Program.

Based on the Tribe's success in bringing their accounts payable current; their adoption of written personnel, financial and procurement procedures; their implementation of a centralized accounting system; and their drafting Articles of Government for presentation to a referendum vote, we agree that the Northern Arapaho Tribe is making significant improvements in administering its programs.

Attachment

Corrective Action Plan
OIG Draft Audit Report C-IN-BIA-004-94: Administration of
Selected Programs by the Northern Arapaho Tribe

The subject audit was requested by the Bureau of Indian Affairs (Bureau), Billings Area Director, on behalf of the Northern Arapaho Tribe. The audit addressed whether the Tribe was administering selected programs effectively and efficiently. Below are the Tribe's actions to respond to Recommendations A1, B.1, B.2, B.3, B.4, and B.5 contained in the draft audit report.

Recommendation A1: Identify any potential Tribal resources that can be used to resolve the Tribe's overdue accounts payable and to finance the planning and implementation of improved administrative system for the Tribe.

Northern Arapaho Response: As of January 1995, the Northern Arapaho Tribe has paid all accounts payable except \$40,000 for irrigation operation and maintenance, which is pending reconciliation prior to payment. The Arapaho Business Council (Council) has adopted the policy of paying all accounts within a 30 day accounting cycle.

Recommendation B.1: Develop and implement procedures to effectively administer Tribal programs.

Northern Arapaho Response: The Northern Arapaho Business Council has drafted a Personnel Manual, a Financial Manual and a Procurement Manual to define procedures for those administrative functions. The Council has also drafted Articles of Government to define the role of the Arapaho General Council and the Tribe's elected representatives; to establish administrative standards, operating procedures and management controls; and to provide accountability to the Northern Arapaho people. The Council will submit the Articles to a referendum vote by December 1996. Adoption of the Articles will define governing standards to be followed by the General Council and Tribal administrative organizations. The Arapaho Business Council is committed to establishing a continuing governing structure to provide stability and accountability for Tribal operations.

Recommendation B.2: Develop and implement an organizational plan that contains written policies and procedures and clear lines of authority so that the administrative managers can incur obligations on behalf of the Tribe and pay those obligations and program managers can conduct their programs without the Business Council being involved in the conduct of the programs.

Northern Arapaho Response: The Arapaho Business Council has drafted a Personnel Manual which defines an organization structure and lines of authority. The Manual requires written organization descriptions to define the responsibilities and authority delegated to each organizational structure.

Recommendation B.3: Prepare, implement, and comply with an integrated annual budget for all types of funding.

Northern Arapaho Response: The Arapaho Business Council has drafted a Financial Manual and has scheduled implementation during January and February 1995. The procedures identify, budget and account for all financial resources available to the Tribe. Further, the Council purchased and implemented MUNIS, a personal computer resident software package, to support the Tribe's budgeting, accounting and procurement operations. The Council plans to develop a data base, utilizing MUNIS software, to budget and account for funds administered jointly with the Shoshone Tribe. The Shoshone Tribe has already implemented their MUNIS software, and all jointly administered programs are scheduled to implement MUNIS in the future. Thus, all tribal programs will have consistent software programs for financial reporting purposes.

Recommendation B.4: Hire qualified personnel to implement a documented financial and budgetary accounting system and to establish a system of monitoring programs and program managers.

Northern Arapaho Response: In December 1994, the Arapaho Business Council initiated a recruitment action to hire a Financial Manager and trained five accounting support staff in the operation of the MUNIS financial management software. The Council, using MUNIS software, is proceeding with implementation of their financial procedures on the following schedule:

January 01, 1995 -	Establish approval levels for individual purchases
	Implement accounts payable function to determine payable schedules
February 01, 1995-	Implement travel function of MUNIS software
February 15, 1995-	Implement MUNIS function to generate purchase orders
March 31, 1995 -	Start meeting with department and program directors on a monthly basis discussing issues and program status. Centralize purchasing function to ensure all purchases are promptly approved and properly recorded.
June 30, 1995 -	Develop an activity based reporting system that will help monitor programs by level of program activity.

The Council will generate management and financial reports on a monthly basis from the MUNIS data base, beginning with the February 1995, accounting cycle.

Recommendation B.5: Establish, under the authority of the business manager, a documented personnel and property system that includes a staffing plan, position descriptions, performance standards, an employee evaluation system, training profiles, and procedures for ensuring merit protection for employees and procedures for identifying all nonexpendable equipment and controls to ensure its proper use.

Northern Arapaho Response: The Arapaho Business Council has drafted a Personnel Manual to define procedures for position classification; staff recruitment and hiring; benefit packages, including holiday and leave benefits; and evaluating, rewarding, counseling, or disciplining employees. The Manual defines an organization structure; defines the roles and responsibilities of the Council and department heads in personnel management; requires written position descriptions to define the responsibilities of each staff member; and establishes an employee grievance and problem resolution process. The Council will implement procedures defined in the Personnel Manual on the following schedule:

January	1995	-	Review and adopt procedures
February	1995	-	Solicit review and input from representative committee of employees
			Define and publish salary scale
March	1995	-	Provide training in personnel procedures to all employees

The Council includes property management procedures in its Procurement Manual. Property procedures define authority and supporting forms for issuance and charging of inventory items. The Council adopted the procedures defined in the Procurement Manual during January 1995.

Responsible Official:



Richard Brannon, Chairman
Arapaho Business Council

February 09, 1995

Date

STATUS OF AUDIT REPORT RECOMMENDATIONS

<u>Finding/ Recommendation Reference</u>	<u>Status</u>	<u>Action Required</u>
1, 2, and 3	Implemented.	No further action is required.

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